

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7067**

**BILL NUMBER:** SB 447

**NOTE PREPARED:** Jan 3, 2007

**BILL AMENDED:**

**SUBJECT:** Concentrated Animal Feeding Operation Construction.

**FIRST AUTHOR:** Sen. Paul

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**

**GENERAL**

**IMPACT:** State & Local

**X DEDICATED  
FEDERAL**

**Summary of Legislation:** This bill establishes a three-year moratorium on the start of construction of concentrated animal feeding operations.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** There would be little reduction in expenditures for the Department of Environmental Management (IDEM). IDEM travels to appear before local governments considering applications for confined feeding operations on a semi-regular basis as part of the permit program – even when no permit is under consideration.

*Background:* Approximately 2,210 regulated farms have an IDEM confined feeding approval permit to conduct business. IDEM regulates operations in part on the distance or "setback" a proposed manure application would be from a water source. The water setback under current rule ranges from 50 to 500 feet, depending upon the water source.

**Explanation of State Revenues:** IDEM receives approximately 120 applications each year. Most permit fees are \$250. IDEM would experience a decrease in revenue generated by fees of an estimated \$30,000. The fee is deposited in the Environmental Management Permit Operation Fund.

**Explanation of Local Expenditures:** The bill could result in a decrease in administrative expenditures for

local units involved in approving operations. The specific impact is not expected to be significant.

*Background:* County ordinances concern the compatibility of an operation with other property. Reviewed ordinances of three counties indicate that operations maintaining manure waste must operate at a minimum distance of approximately 1,300 feet from adjacent residential property lines. If a county has an ordinance regulating land use, generally an applicant for a startup feeding operation will seek approval through the county planning or zoning board before applying to IDEM for a permit to operate as a CFO.

**Explanation of Local Revenues:** The bill could result in a reduction of fines and fees. At least one county collects a filing fee (plus public notification costs) when an applicant appeals to the zoning board for a special exemption to operate. Another county's animal waste ordinance allows for civil penalties to be assessed on violators.

**State Agencies Affected:** IDEM.

**Local Agencies Affected:** Counties; Planning and Zoning Authorities.

**Information Sources:** Amy Butcher, Executive Director, Shelby County Plan Commission, 317-392-6338; William MacDaniel, Fayette County Area Plan Commission, 765-825-9808; David Neuman, Decatur County Area Plan Commission, 317-232-2554; Bowden Quinn and Sandra Flum, IDEM, 233-3835; [www.indianaeconomicdigest.net](http://www.indianaeconomicdigest.net).

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